TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE Transcriber's Office FLOOR DEBATE

April 23, 2001 LB 536

product have always said that it would. Now ethanol does burn cleaner, does have some environmental impacts, but those are reasons to do this in unsubsidized fashion it seems to me. will express one other concern to you and that is that ethanol not only receives a state subsidy, it receives a rather large federal subsidy. And periodically, that federal subsidy comes up for discussion. If the federal subsidy would ever go away and if you look at a map of the United States, you see where the ethanol plants are, you'll probably be wondering how we've ever been able to maintain the federal subsidy. There aren't enough votes in the states that benefit by the federal subsidy for ethanol to maintain that in the long term, at least that's my Now if the federal subsidy ever goes away, the state will almost certainly be asked to pick it up because remember, these things aren't profitable. My recollection is that the federal subsidy is 54 cents a gallon.

SENATOR CUDABACK: One minute.

SENATOR WICKERSHAM: I think that we ought to be prepared to wean the industry. Corn prices are cheap, gasoline prices are high or higher and are almost certain to be going higher. Frankly, I think it is time to wean the industry. But again, I won't support Senator Chambers' bracket. I think there are other things, other aspects of this bill that need to be discussed so that you have a better understanding of the industry as a whole before you make a final decision. But while I won't support the bracket motion, I will eventually not support the bill either.

SENATOR CUDABACK: Thank you, Senator Wickersham. Senator Chambers, on the motion to bracket LB 536.

SENATOR CHAMBERS: Mr. President, members of the Legislature, I was talking about this reformulating process and that's where you get these oxygen bearing molecules into the mix. Now ethanol molecules consist of two carbon atoms, six hydrogen atoms, one oxygen atom. Now when you put these oxygen-bearing molecules into the mix, part of the combustion that results is produced by oxygen within the molecule. If you have a molecule without oxygen like methane, you get more bang for the buck